

that establish privacy guidelines in the providing of telecommunication services.

(2) The rules promulgated under this section shall include, but need not be limited to, protections against the releasing of certain customer information and customer privacy intrusions.

(3) A person who obtains an unpublished telephone number using a telephone caller identification service shall not do any of the following without the written consent of the customer of the unpublished telephone number:

(a) Disclose the unpublished telephone number to another person for commercial gain.

(b) Use the unpublished telephone number to solicit business.

(c) Intentionally disclose the unpublished telephone number through a computer data base, on-line bulletin board, or other similar mechanism.

Sec. 504. Each regulated telecommunications provider shall file with the commission a small and minority owned telecommunication business, as defined by the department of management and budget, participation plan within 60 days of the effective date of this act. Competing telecommunication providers shall file such a plan with the commission with their application for license. Such plan shall contain such entity's plan for purchasing goods and services from small and minority telecommunications businesses and information on programs if any, to provide technical assistance to such businesses.

ARTICLE 6

PENALTIES, REPEALS, AND EFFECTIVE DATES

Sec. 601. If after notice and hearing the commission finds a person has violated this act, the commission shall order remedies and penalties to protect and make whole ratepayers and other persons who have suffered an economic loss as a result of the violation, including, but not limited to, 1 or more of the following:

(a) Except as provided in subdivision (b), the person to pay a fine for the first offense of not less than \$1,000.00 nor more than \$20,000.00 per day that the person is in violation of this act, and for each subsequent offense, a fine of not less than \$2,000.00 nor more than \$40,000.00 per day.

(b) If the provider has less than 250,000 access lines, the provider to pay a fine for the first offense of not less than \$200.00 or more than \$500.00 per day that the provider is in violation of this act, and for each subsequent offense a fine of not less than \$500.00 or more than \$1,000.00 per day.

(c) A refund to ratepayers of the provider of any collected excessive rates.

(d) If the person is a licensee under this act, that the person's license is revoked.

(e) Cease and desist orders.

Sec. 602. The commission shall assure that none of the amounts paid pursuant to section 601 or any other related defense costs are passed through to the provider's customers in any manner.

Sec. 603. The following acts and parts of acts are repealed:

<u>Year of Act</u>	<u>Public Act Number</u>	<u>Section Numbers</u>	<u>Compiled Law Sections (1979)</u>
1883	72		484.51
1913	206	1 to 3f	484.101 to 484.103f
		4 to 11a	484.104 to 484.111a
		12 to 14	484.112 to 484.114
		19 to 24	484.119 to 484.124
		26	484.126
1913	383		469.491 to 469.493

Sec. 604. (1) This act is repealed effective January 1, 2001.

(2) Section 312b of Act No. 179 of the Public Acts of 1991, being section 484.2312b of the Michigan Compiled Laws, is repealed effective July 1, 1997.

(3) Sections 206, 207a, 212, 307a, 501, and 605 of Act No. 179 of the Public Acts of 1991, being sections 484.2206, 484.2207a, 484.2212, 484.2307a, 484.2501, and 484.2605 of the Michigan Compiled Laws, are repealed.

(4) Section 3g of Act No. 206 of the Public Acts of 1913, being section 484.103g of the Michigan Compiled Laws, is repealed.

Case No. U-10860
Exhibit S-237(WJC-1)
Page 1 of 1

PROCEDURE FOR OBTAINING FURTHER UNBUNDLED
LOCAL NETWORK COMPONENTS

1. The provider seeking additional unbundled network components shall issue a written "Request for Proposal for Network Components" which shall be sent to the provider from which the components are sought. The "Request" shall include an "intent to purchase" statement which identifies the quantity and geographic location of the needed components.
2. The provider shall respond to the "Request" within 30 days. The response shall include the following information as appropriate:
 - A. The price for the component(s) requested, both recurring and non-recurring.
 - B. The date of the availability of the component, but not more than 90 days from the response to the "Request."
 - C. Denial of the request or refusal to offer the component. This shall be accompanied by a detailed justification for the refusal. This refusal shall be based on technical or economic reasons, not competitive reasons.
3. Upon receipt of a proposal, the provider seeking the component will place an order for the components including a commitment to purchase and specifying quantities identified in the intent to purchase statement in its request for proposal. Responses to "Request" shall be valid for a period of 30 days.
4. Upon receipt of a denial, refusal or nonperformance under an accepted order to provide the requested component, the provisions of current Michigan law will govern.

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Attachment 4

OCT 19 1992

FCC 92-441

AS ORDERED

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)

Expanded Interconnection with)
Local Telephone Company Facilities)

Amendment of Part 36 of the)
Commission's Rules and Establishment)
of a Joint Board)

CC Docket No. 91-141 - MAY 16 1996
Transport
Phases I & II

CC Docket No. 80-286

FCC MAIL ROOM

SECOND NOTICE OF PROPOSED RULEMAKING

Adopted: September 17, 1992

Released: October 16, 1992

Phase I

Comment Date: December 4, 1992

Reply Date: December 21, 1992

Phase II

Comment Date: December 21, 1992

Reply Date: January 22, 1993

Separations

Joint Board Comment Date: December 21, 1992

Joint Board Reply Date: January 22, 1993

By the Commission: Commissioners Marshall and Barrett issuing separate statements.

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the multi-frequency signalling protocols associated with Feature Group D switched access. As a result, BellSouth argues that industry organizations such as the Exchange Carriers Standards Association's T1 Committee would be a more appropriate forum for consideration of this issue.⁴⁷

45. Fully competitive provision of switched transport networks would appear to require access to certain signalling features and functions within the LEC network. We propose to require that the LECs provide interconnectors access to the signalling features and functions within the LEC network that interconnectors need to create switched access networks to compete with the LECs.⁴⁸ These functions would appear to include, among other things, access to the signalling information necessary to perform tandem switching functions, whether provided through in-band signalling or out-of-band signalling through CCS systems.⁴⁹ We believe that such signalling should be made available at both end office and tandem switches.⁵⁰

46. We invite interested parties to comment on these tentative conclusions and proposals. In particular, we invite comment on whether there are other features or functions to which LECs should be required to give interconnectors access and whether such access could have an effect on public switched network reliability. We also ask parties to comment on whether these signalling functions should be treated as BSEs within our ONA framework. Parties are invited to submit information on any technical difficulties that such requirements might entail, and to suggest possible solutions to such technical problems.

2. Collocation of Equipment in LEC Central Offices

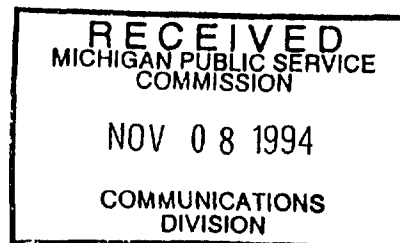
47. In the context of the interconnection of competing switched access networks in a "network of networks," we tentatively conclude that collocation of competitors' switches in LEC central offices is neither necessary nor desirable. We also tentatively conclude that interconnectors should not be entitled to place in the central office, or designate for their

47 Ex Parte Letter from W.W. Jordan, Director - Federal Regulatory, BellSouth, to Donna Searcy, Secretary, FCC (July 8, 1992).

48 In this Notice, we do not address expanded interconnection for the provision of subscriber loops. We also do not address the interoperability of LEC local switches and other parties' switches required for competitive provision of local exchange service.

49 For example, LECs use carrier identification signalling to direct tandem-switched traffic to the appropriate IXC. Accordingly, such signalling must be available to an interconnector if the interconnector is to provide a service that competes with LEC access tandem functions.

50 Under our current rules, interconnectors, just as other parties using the switched access network, will have access to the federally tariffed Basic Serving Arrangement (BSA) elements provided under our Open Network Architecture (ONA) policies.



Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FCC 94-118

In the Matter of)
)
Expanded Interconnection with) CC Docket No. 91-141
Local Telephone Company Facilities) Transport Phase II

THIRD REPORT AND ORDER

Adopted: May 19, 1994

Released: May 27, 1994

By the Commission: Commissioner Barrett issuing a statement.

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opportunity for interconnectors to provide alternative transmission services to LEC-provided direct-trunked transport and entrance facilities by collocating transmission facilities in LEC end offices, tandems, serving wire centers (SWCs), and certain remote nodes.⁶ As a result of those two actions, interconnectors now are able to provide special access and switched transport transmission services in competition with the LECs.

5. Only LECs, however, currently can provide tandem switching functions. Third parties cannot now provide such functions because they generally do not have access to the signalling information necessary to switch and route traffic to IXCs. Thus, virtually all tandem-switched transport currently must be routed through LEC tandems, and switched by the LECs at that point; interconnectors can provide only the link between the LEC tandem and the IXC point-of-presence (POP).

6. In a Second Notice of Proposed Rulemaking (Notice), which is the subject of this proceeding, we proposed to broaden the scope of our access initiatives to address this limitation.⁷ Specifically, we proposed to require LECs to provide other parties access to LEC signalling information to enable such parties to offer tandem switching functions.⁸ Under this proposal, interconnectors would be able to offer tandem-switched transport, using their own tandems, in competition with the LECs. In addition, third parties, such as IXCs, could obtain economies by aggregating their traffic from end offices on a single direct trunk, routing that traffic to a third-party tandem, and switching it at that point. We address this proposal below.

serving that POP, called a serving wire center (SWC). Direct-trunked transport facilities are used to transmit traffic between a LEC SWC and end office (or between any two customer-designated LEC offices) when such traffic requires no tandem switching. Tandem-switched transport facilities are used to transmit traffic between the LEC end office and SWC (or tandem) when such traffic requires tandem switching. Dedicated signalling transport is transport between IXCs' SS7 networks and LEC signalling transfer points (STPs). See Transport Rate Structure and Pricing, Second Report and Order, 9 FCC Rcd 615, 618 n.7 (1994) (Baskets and Bands Order).

⁶ Switched Transport Expanded Interconnection Order, 8 FCC Rcd at 7407-7409, ¶¶ 53-57.

⁷ Expanded Interconnection with Local Telephone Company Facilities, Second Notice of Proposed Rulemaking, 7 FCC Rcd 7740, 7747, ¶ 40 (Notice).

⁸ Id. We declined to address expanded interconnection for provision of subscriber loops, as well as interoperability of LEC local switches and other parties' switches required for competitive provision of local exchange service. Id. at 7748 n.48.

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MAY 16 1996
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STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
CITY SIGNAL, INC., for an order)
establishing interconnection arrangements)
with AMERITECH MICHIGAN.)
_____)

Case No. U-10647

At the October 3, 1995 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. John L. O'Donnell, Commissioner
Hon. John C. Shea, Commissioner

ORDER CLARIFYING PRIOR ORDER

On February 23, 1995, the Commission issued an order establishing interim interconnection arrangements between City Signal, Inc., and Ameritech Michigan for the provision of basic local exchange service in Grand Rapids, Michigan.¹ In pertinent part, the Commission required that the transitional interconnection arrangements established in the order be tariffed generally as access services and filed no later than 30 days after issuance of the order.

On March 27, 1995, Ameritech Michigan filed a revised Tariff M.P.S.C. No. 25R, which included, among other rates, additional recurring and non-recurring charges for number

¹Interconnection arrangements are necessary to enable City Signal's basic local exchange service customers to make and receive calls from Ameritech Michigan's basic local exchange service customers, thereby connecting the two providers' networks.

portability options. On that same date, City Signal filed a motion for tariff clarification, in which it argued that there was no record evidence to support the additional recurring and non-recurring charges.

On June 5, 1995, the Commission issued an order granting City Signal's motion. The Commission found that, based on the current record, Ameritech Michigan should not be permitted to assess either non-recurring charges relative to direct-inward dialing, remote call forwarding, and unbundled loops or an end-user common line charge for the use of direct-inward dialing for local number portability. The Commission noted that neither City Signal nor Ameritech Michigan proposed any non-recurring charges in this proceeding and, therefore, only those charges that the Commission specifically approved in its February 23, 1995 order should have been included in Ameritech Michigan's tariff.

On June 14, 1995, Ameritech Michigan filed a petition for rehearing and reconsideration and motion to vacate the Commission's order. Ameritech Michigan filed an amended petition and motion on June 26, 1995. City Signal, MCI Telecommunications Corporation (MCI), and the Commission Staff (Staff) filed responses by July 5, 1995. On August 14, 1995, the Commission issued an order denying Ameritech Michigan's petition and motion.

In the meantime, on July 24, 1995, the Staff filed a request for clarification of the Commission's February 23, 1995 order. On August 1, 1995, Ameritech Michigan filed a response in opposition to the Staff's request. City Signal filed a response in support of the Staff's request on August 7, 1995. MCI filed a similar response on August 10, 1995.

On August 11, 1995, Ameritech Michigan filed a motion to strike City Signal's response. The Staff filed a response to that motion on August 25, 1995.

In its request for clarification, the Staff states that, as of the filing of its request, Ameritech Michigan has not submitted a tariff that accurately incorporates the provisions of the Commission's order and Act 179. According to the Staff, as Ameritech Michigan has revised disputed portions of the proposed tariff, it has changed language in undisputed portions, causing new controversy and further passage of significant periods of time. The Staff outlines the four versions of the proposed interconnection tariff that Ameritech Michigan has filed to date, none of which, in the Staff's view, complies with the Commission's order. As a result, the Staff states that, five months after the issuance of the Commission's order, there has been no resolution of one of the most fundamental and significant facets of the interconnection arrangement--the interconnection of the unbundled loop.

More specifically, the Staff states that, in a meeting held on March 16, 1995, Ameritech Michigan indicated its position that unbundled loops can only be interconnected with City Signal's facilities through use of Ameritech Michigan's collocation tariff, Ameritech Virtual Optical Interconnection Service (AVOIS). The Staff states that in its March 17, 1995 letter to Ameritech Michigan, it advised the company that requiring the use of AVOIS for the purpose of local service interconnection was contrary to the Commission's February 23, 1995 order. Thereafter, in its March 27, 1995 tariff, Ameritech Michigan included another option for interconnection of unbundled loops whereby it would extend facilities to meet City Signal at the first manhole (or other nearby location) outside the central office. The tariff provided that the first 1,000 feet would be provided without charge and it deleted the AVOIS requirement. The Staff further states that in the June 30, 1995 version of the proposed tariff, Ameritech Michigan revised that language to limit the use of the 1,000 foot option to situations in which fewer than 96 loops are requested from a specific central office, thus

raising an issue addressed and ostensibly resolved five months ago. Then, the Staff continues, in Ameritech Michigan's July 18, 1995 version of the proposed tariff, the company deleted the 1,000 foot option completely and indicated that it would instead negotiate arrangements for interconnection of a limited number of unbundled loops.

The Staff argues that there is no authorization whatsoever in the Commission's February 23, 1995 order in this case to charge City Signal the collocation rates contained in the AVOIS tariff. The Staff points out that the Commission specifically rejected the use of collocation tariffs for the purpose of local interconnection because it was not economically feasible for City Signal as a new entrant in the basic local exchange service market. The Staff states that Ameritech Michigan apparently believes that because the Commission used the example of trunk-to-trunk interconnection when rejecting the AVOIS tariff, the use of that tariff for other local interconnection purposes is acceptable, e.g., connection of Ameritech Michigan's unbundled loops to City Signal's facilities. However, the Staff believes that Ameritech Michigan's interpretation is incorrect because, in the Staff's view, requiring City Signal to pay a \$7,000 non-recurring charge and a \$300 per month recurring charge when some arbitrary number of loops is requested is precisely the kind of economic infeasibility to which the Commission referred in its order.

The Staff further contends that, contrary to Ameritech Michigan's earlier assertion, virtual collocation tariffs were not designed to apply to interconnections between basic local exchange service providers. Rather, the Staff submits, federal collocation tariffs provided for interconnection of competitively provided special access services, switched transport services, and switched access signalling. The Staff represents that the inquiry held at the Federal Communications Commission on these tariffs never investigated the interconnection

requirements, much less the appropriate pricing structure, of collocation for basic local exchange services. In fact, the Staff continues, federal collocation tariffs apply only to fiber interconnections, not to the copper interconnections that unbundled loops use. Thus, the Staff asserts that these federal collocation tariffs are simply not relevant in this case.

The Staff requests clarification of the Commission's intent regarding its orders in this case. The Staff states that if the Commission intended to simply outline interconnection concepts and permit Ameritech Michigan to develop tariffs reflecting how Ameritech Michigan believes interconnection should be structured, then the Commission should state so more clearly. On the other hand, the Staff states, if the Commission intended its order to encompass its entire approach to local interconnection arrangements including prices, terms, and conditions, then the Commission should reiterate that intention.

City Signal and MCI support the Staff's request for clarification. City Signal explains that, since it first initiated its local service offerings, Ameritech Michigan has consistently changed the methods by which City Signal can interconnect for unbundled loops. However, City Signal and MCI assert that nowhere in the Commission's order is Ameritech Michigan authorized to require the use of virtual collocation and its high charges. City Signal points out that Ameritech Michigan itself realized this when it included in its tariff a meet-point option within 1,000 feet of its central office. However, City Signal states that Ameritech Michigan subsequently removed this option after City Signal actually tried to order that arrangement.

City Signal goes on to argue that the record in this case does, in fact, support interconnection options other than virtual collocation. City Signal points out that Brad Evans, President of City Signal, testified that City Signal should interconnect its network with Ameritech Michigan's unbundled loops at a common point on either adjacent property or on

Ameritech Michigan property. He explained that City Signal could then place its connecting equipment on either property and Ameritech Michigan could bring its cross-connect, or tie, cable to that point so that the two companies could interconnect at a neutral point. In short, Ameritech Michigan's unbundled loops would be connected to City Signal's network through a simple tie-cable arrangement, rather than having to locate equipment in Ameritech Michigan's central office.

City Signal asserts that Ameritech Michigan is opposed to the Commission's order and, consequently, it wants to delay competition under the terms of that order as long as possible, hoping that it will obtain interLATA authority before providing these services to its competitors. In City Signal's view, Ameritech Michigan comes up with a different "snag" each time it files a tariff, with the express intent of delaying competition while it advertises to the public that it favors competition.

City Signal recommends that, because Ameritech Michigan will likely continue to delay interconnection, the Commission take stern action, including directing Ameritech Michigan to provide unbundled loops at an established demarcation meet-point within 1,000 feet of Ameritech Michigan's central office at a location chosen by City Signal. City Signal further recommends that the Commission direct Ameritech Michigan to size its facility to accommodate City Signal's 12-month forecast of customer demand as well as direct that Ameritech Michigan and City Signal work together to complete each meet-point facility within 30 days of the request for meet-point interconnection. Finally, City Signal requests that the Commission impose sanctions against Ameritech Michigan pursuant to Section 601 of Act 179.

In response, Ameritech Michigan states that the Commission should deny the Staff's motion. Ameritech Michigan contends that there is only one issue in dispute, i.e., how a

competitor is to connect to an unbundled loop. Consequently, Ameritech Michigan submits, there is no support for the Staff's overly broad statement that Ameritech Michigan has not submitted a tariff that accurately incorporates the provisions of the Commission's February 23, 1995 order and Act 179. Ameritech Michigan states that it has made every reasonable attempt, since filing its initial tariff on March 27, 1995, to accommodate City Signal's desire to have a means, other than AVOIS, of connecting limited quantities of unbundled loops to City Signal's facilities in Ameritech Michigan's more rural offices.

Ameritech Michigan further argues that the Staff's filing leaves out several significant facts. Ameritech Michigan points out that it included the 1,000 foot option for connection of one or two unbundled loops in its tariff after the Staff raised the issue in discussions with Ameritech Michigan. It states that the language was included to satisfy the Staff's claim that virtual collocation would be too expensive for City Signal in situations in which City Signal was interested in serving one or two end-users out of a particular central office in Ameritech Michigan's more rural Grand Rapids exchanges. In fact, Ameritech Michigan continues, its various tariff responses have been designed to ensure that City Signal, on an interim basis, is able to select an alternative to AVOIS for connection of limited quantities of unbundled loops in Ameritech Michigan's more rural central offices. However, Ameritech Michigan states that each of its tariffs was returned with a letter from the Staff stating that the tariff was unacceptable because it was not supported by the Commission's order.

Ameritech Michigan next responds that the Commission's discussion and rejection of virtual collocation specifically related to interconnection of the two companies' networks for the exchange of local traffic over interoffice trunks. In Ameritech Michigan's view, the Commission's determination did not apply to the connection of unbundled loops to City

Signal's facilities. Moreover, Ameritech Michigan states, the Commission's stated reason for rejecting virtual collocation does not apply to unbundled loops, because existing licensed local exchange carriers (LECs) do not purchase or connect to unbundled loops. In fact, Ameritech Michigan points out that the Commission's discussion of unbundled loops is contained in a separate section of the Commission's February 23, 1995 order entitled "Unbundling." That section does not contain any discussion of how an unbundled loop would be connected to City Signal's network because that was not the subject of any proposals made in the context of this case by City Signal or any other party. According to Ameritech Michigan, the Commission's silence on this issue indicates that the Commission did not preclude the use of virtual collocation to connect City Signal to Ameritech Michigan's unbundled loops.

Ameritech Michigan further argues that the Staff's request seeks to have the Commission make a determination with respect to every possible facet of interconnection in this interim case. However, Ameritech Michigan submits, the current arrangements are interim because the Commission correctly determined that interconnection of competing basic local exchange service providers is a complex undertaking, which involves new services, unbundling of old services, and a new way of approaching the provision of telecommunications services to customers. In Ameritech Michigan's view, this is the very reason a generic interconnection proceeding was established in Case No. U-10860. Ameritech Michigan maintains that, instead of forcing a specific arrangement for the interim period, the Commission should allow the parties to reach whatever additional arrangements are necessary to make the interim arrangements work, recognizing that these arrangements will not prejudice positions the parties may take on this issue in the generic case.

In its motion to strike, Ameritech Michigan submits that City Signal's response misrepresents the facts because it wants the Commission to believe that Ameritech Michigan has prevented the implementation of local competition in the Grand Rapids exchange. To the contrary, Ameritech Michigan states, it has filed and implemented tariffs that have enabled City Signal to deploy its network, interconnect with Ameritech Michigan, and use unbundled loops through a collocation arrangement. Ameritech Michigan states that although it and City Signal disagree regarding the use of virtual collocation, Ameritech Michigan has included, in each version of its tariff, a provision that waives all recurring and nonrecurring charges for virtual collocation used for the purpose of connecting to unbundled loops. According to Ameritech Michigan, City Signal has had a collocation arrangement with Ameritech Michigan in the Grand Rapids central office since prior to the Commission's order and is using that arrangement to connect to unbundled loops. Additionally, Ameritech Michigan says that since the date of the order, City Signal has ordered virtual collocation arrangements in three additional Grand Rapids offices.

Ameritech Michigan goes on to argue that it has an effective tariff on file for interconnection arrangements. The company submits that, under Act 179 and existing Commission orders, there is simply no preapproval required for access tariffs used for interconnection arrangements, and there is no procedure whereby the Staff may arbitrarily reject or suspend tariffs pending Commission action. To the contrary, Ameritech Michigan argues that access tariffs are effective upon filing, and the Staff has not been delegated the authority to reject or suspend tariffs.

Ameritech Michigan next argues that City Signal's pleading is really a request for reconsideration or reopening of the record in this proceeding because it is requesting that the

Commission establish a procedure for connection to unbundled loops that was never included in the Commission's order. Ameritech Michigan disagrees that City Signal's proposal is supported by the facts in this case but, in any event, it maintains that City Signal's request is not timely. Ameritech Michigan argues that if the Commission were to reopen the record to consider alternatives for connection to unbundled loops, Ameritech Michigan should have the opportunity to present its position on the technical feasibility, costs, and appropriate pricing for such services.

In response to Ameritech Michigan's motion to strike, the Staff reiterates that the problem with collocation is that it was not designed for local interconnection and, furthermore, it is more costly and requires more equipment than is justified or necessary for local service. Moreover, the Staff states that the disputed part of the tariff requires City Signal to purchase collocation services for purposes of interconnecting unbundled loops at offices where City Signal is not already collocated for interconnection of other services. The Staff points out that City Signal is only purchasing unbundled loops where collocation already exists, i.e., in one office. In the Staff's view, City Signal has begun to order collocation from other offices only because Ameritech Michigan refuses to offer any other type of interconnection service.

Additionally, the Staff says that even though Ameritech Michigan represents that it will not charge City Signal the recurring and non-recurring charges associated with collocation tariff, that service still requires City Signal to purchase equipment to put in Ameritech Michigan's central office, which is not required for the simple cross-connection of an unbundled loop to City Signal's network.

In response to Ameritech Michigan's argument regarding the Staff's role in reviewing the tariffs, the Staff states that, under Section 301 of Act 179, Commission approval of access

tariffs is required in two situations: if the proposed intrastate access rates exceed interstate access rates or if the affected parties cannot agree to an access rate. In this case, the Staff points out, City Signal filed an application requesting that the Commission set the interconnection arrangements because it and Ameritech Michigan could not agree. Consequently, after an extensive contested case proceeding, the Commission issued its order establishing access rates and requiring Ameritech Michigan to file conforming tariffs. According to the Staff, requiring tariffs to be filed subsequent to issuance of an order is reasonable and consistent with the Commission's standard practices and procedures. Furthermore, the Staff states that the Commission may rely on the Staff to ensure that all tariffs that are filed pursuant to the order actually comply with that order. In this case, the Staff submits, Ameritech Michigan's tariffs do not comply with the Commission order and, consequently, the Staff has rejected those tariffs.

Finally, the Staff argues that City Signal's pleading is not a motion for rehearing because additional pleadings seeking clarification and enforcement of Commission orders are not automatically deemed petitions for rehearing. In the Staff's view, City Signal's pleading is focused on the original Commission order and correctly points out that Ameritech Michigan's "foot dragging" has successfully impeded competition in the basic local exchange service market.

In its February 23, 1995 order in this case, the Commission rejected virtual collocation for the hand-off of local traffic because, as a LEC, City Signal is entitled to the same type of co-carrier arrangements that other LECs currently have with Ameritech Michigan. The Commission further found that virtual collocation, as a means of interconnection, is needlessly complicated and not necessary. Furthermore, the Commission found that Ameritech

Michigan's proposed arrangements are not economically feasible for City Signal as a newly licensed LEC. The Commission relied on record testimony indicating that, under Ameritech Michigan's collocation tariff, the charges consist of a \$8,240 nonrecurring charge and \$861 in monthly rent.² The Commission therefore concluded that interconnection for the exchange of local traffic between Ameritech Michigan and City Signal should be available either at the end office, the tandem, or a mutually agreed upon meet-point.

In light of the foregoing findings, the Commission rejects Ameritech Michigan's interpretation of the Commission's order. Contrary to Ameritech Michigan's argument, the fact that the Commission did not repeat these findings regarding interconnection in the section on unbundling does not lead to the conclusion that the Commission authorized Ameritech Michigan to require virtual collocation, with its additional equipment and charges, as the means to connect unbundled loops to City Signal's facilities. The Commission rejected all of Ameritech Michigan's arguments regarding unbundled loops and their pricing and, instead, adopted City Signal's and the Staff's proposal. Thus, reading the Commission's order as a whole, it is clear that the Commission did not authorize Ameritech Michigan to require virtual collocation as the means for City Signal to connect to Ameritech Michigan's unbundled loops. Contrary to Ameritech Michigan's interpretation, the Commission's silence on the issue of interconnection of Ameritech Michigan's unbundled loops to City Signal's network does not indicate that the Commission approved the use of virtual collocation for that purpose.

Although the Commission did not specifically address the issue of physical interconnection in the context of unbundled loops, City Signal did, in fact, present such a proposal. Mr. Evans

²As indicated earlier in this order, Ameritech Michigan acknowledges that it will not be assessing these charges.

testified that unbundled loops should be connected to City Signal's network through a simple tie-cable arrangement, rather than having to locate equipment in Ameritech Michigan's central office. (5 Tr. 448-51.) In fact, Ameritech Michigan included this option in its March 27, 1995 tariff, i.e., it would extend its facilities to meet City Signal at the first manhole outside the central office. Thus, it is apparent that there are interconnection options other than virtual collocation.

The Commission also rejects Ameritech Michigan's suggestion that it has the authority to determine the appropriate tariffs and that its filed tariffs are immediately effective. Although Ameritech Michigan relies on Section 301(3) of Act 179, which states that a provider of access services shall set the rates for access services, the company ignores other language in Section 301, which states that prior approval of access rates is, in fact, required if the proposed rates exceed the interstate rates or if the affected parties cannot agree to an access rate. In this case, Ameritech Michigan and City Signal could not agree and, consequently, the Commission was required to establish appropriate rates, terms, and conditions for interconnection. Ameritech Michigan was then required to file a tariff that complied with the Commission's order. Had Ameritech Michigan filed such a tariff, only then would it have been immediately effective. However, Ameritech Michigan failed to do so and the Staff properly rejected the tariff.

The Commission further finds that Ameritech Michigan's motion to strike should be denied for two reasons. First, City Signal's responsive pleading does not constitute a motion for rehearing but, rather, merely supports the Staff's motion for clarification and seeks enforcement of the Commission's February 23, 1995 order. Second, the Commission is persuaded that Ameritech Michigan's motion is more in the nature of a reply to City Signal's

response, which is not provided for in the Rules of Practice and Procedure before the Commission.

In conclusion, the Commission directs Ameritech Michigan to file, within 10 days of issuance of this order, a tariff that complies with the foregoing clarification. To avoid further disputes regarding the tariff, the Commission specifically orders Ameritech Michigan to provide to City Signal unbundled loops on other than a collocation basis. Failure to comply with this order may result in the imposition of sanctions against Ameritech Michigan pursuant to Section 601 of Act 179.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1991 PA 179, MCL 484.2101 et seq.; MSA 22.1469(101) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(103) et seq.; and the Commission's Rules of Practice and Procedure, 1992 AACCS, R 460.17101 et seq.
- b. The Staff's request for clarification should be granted.
- c. Ameritech Michigan's motion to strike City Signal's response should be denied.

THEREFORE, IT IS ORDERED that:

- A. The Commission's February 23, 1995 order is clarified as discussed in this order.
- B. Ameritech Michigan shall, within 10 days of issuance of this order, file a tariff that includes the provision of unbundled loops to City Signal, Inc., on other than a collocation basis.
- C. Ameritech Michigan's motion to strike the response of City Signal, Inc., is denied.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ John G. Strand
Chairman

(S E A L)

/s/ John L. O'Donnell
Commissioner

/s/ John C. Shea
Commissioner

By its action of October 3, 1995.

/s/ Dorothy Wideman
Its Executive Secretary